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7 **City of Lynnwood**

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9 **Transportation Benefit District**

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15 **2014 Annual Report**

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21 November 2015

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26 *RCW 36.73.160(2) - A district shall issue an annual report, indicating the status of*
27 *transportation improvement costs, transportation improvement expenditures, revenues, and*
28 *construction schedules, to the public and to newspapers of record in the district.*
29

30 *TBD Charter 6.06 – In addition, the District, upon approval by the Board, shall issue an*
31 *annual report, indicating the status of transportation improvement costs, transportation*
32 *improved expenditures, revenues, and construction schedules, to the public and the*
33 *newspapers of record in the District (the “Plan”). “Newspapers of record in the District”*
34 *shall include all newspapers which have filed a request for public notice of meetings with the*
35 *District.*
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Lynnwood TBD Background

A Transportation Benefit District (TBD) is a Quasi-municipal corporation & independent taxing district created for the sole purpose of funding transportation improvements within the district. A TBD is created by ordinance of legislative authority (county or city) and may include other counties, cities, port districts, or transit districts through Inter-local agreements.

A law passed by the Washington State Legislature in 2007 allows city or county governments to create local transportation benefit districts and impose a local vehicle registration fee or other funding sources (such as sales tax) to fund local transportation projects. TBDs in Washington State have primarily been funded by a vehicle registration fee, but a few cities have implemented a sales tax funded TBD. As of October 2015, forty-nine cities in Washington State have approved a vehicle registration fee funded TBD.

Following a public hearing on May 24th 2010, the Lynnwood City Council approved Ordinance #2837 forming the Lynnwood Transportation Benefit District and adopting a new chapter to the Lynnwood Municipal Code, 12.14, entitled "Transportation Benefit District". The governing board of the Transportation Benefit District is the Lynnwood City Council, acting in an ex officio and independent capacity. The ordinance specifies that the boundaries for the TBD be coextensive with the City limits.

Following a public hearing on November 29th 2010 the TBD Board adopted TBD Ordinance #2 enacting a \$20 vehicle registration fee for each eligible vehicle registered in Lynnwood. The \$20 vehicle registration fee went into effect on July 1st 2011 and generates approximately \$500,000 annually for transportation projects. The projects to be funded (in whole or in part) include:

- City of Lynnwood Street Fund 111 (operation and maintenance)
- Pavement Overlay Program
- Traffic Signal Rebuild Program
- Traffic Signal Reconstruction: Scriber Lake Road at 196th Street SW (complete)
- 48th Avenue W Sidewalk: 183rd Place SW to 180th Street SW (complete)

Although it is a separate legal entity from the City of Lynnwood, the TBD is reported as a blended component unit in the City's annual financial statements because its sole purpose is for the construction, preservation, maintenance and operation of City streets.

2014 Meetings Summary

The TBD Board held nine meetings in 2014. A brief summary of the meetings are listed as follows:

February 10, 2014 Special Meeting

- Presentation and Discussion: Transportation Planning, Funding and Community Education/Outreach

1 **March 10, 2014 Regular Meeting**

- 2 • Presentation and Discussion: Community Education/Outreach and Draft Public Survey

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4 **June 30, 2014 Special Meeting**

- 5 • Presentation and Discussion: Community Education/Outreach, Public Survey Results
6 and Next Steps

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8 **July 21, 2014 Special Meeting**

- 9 • Consideration, discussion, and possible action on Resolution #5 and other various
10 documents and procedures associated with a ballot proposition to impose a sales and
11 use tax
12 • Prohibition on Use of Public Facilities to Support or Oppose Ballot Measure

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14 **August 4, 2014 Special Meeting**

- 15 • Consideration, discussion, and possible action on appointment of Pro/Con Committee
16 members and other potential documents and procedures associated with a ballot
17 proposition to impose a sales and use tax

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19 **September 3, 2014 Special Meeting**

- 20 • Executive Session: Potential Litigation

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22 **September 15, 2014 Special Meeting**

- 23 • Executive Session: Potential Litigation

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25 **October 20, 2014 Special Meeting**

- 26 • Executive Session: Potential Litigation

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28 **November 19, 2014 Special Meeting**

- 29 • Consideration, discussion and possible action on Resolution #6 – Amend CIAW
30 (Insurance) By-Laws and Interlocal Agreement
31 • Presentation, discussion and approval of the 2013 TBD Annual Report
32 • Consideration, discussion and possible action on Ordinance #7 – 2014 Budget
33 Amendment
34 • Public Hearing and Consideration, discussion, and possible action on Ordinance #8 -
35 2015 Budget

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37 **2014 Revenue**

38 The TBD's revenues for the year ending December 31, 2014 are as follows:

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40
41 \$ 522,288 Vehicle Registration Fees
42 932 Investments Interest
43 \$ 523,220 Total Revenues
44

1 **2014 Expense**

2 2014 TBD expenses consist of administrative expenses, TBD insurance (through the Cities
3 Insurance Association of Washington (CIAW)), consultant services, and projects. The TBD's
4 administrative expenses consist of staff time (Public Works, Finance, and Legal), public
5 meeting notices, and meeting minute recording/development. Total 2014 TBD expenditures
6 are summarized as follows:

7

\$	15,911	Administration Expenditures
	25,478	Legal
	3,031	Insurance
	60,098	Professional Services
	<u>1,000,000</u>	Projects
\$	<u>1,104,518</u>	Total Expenditures

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10 **Fund Balance**

11 The 2014 TBD ending fund balance is summarized as follows:

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\$	689,454	Beginning Fund Balance
	523,220	Revenues
	<u>(1,104,518)</u>	Expenditures
\$	<u>108,156</u>	Ending Fund Balance

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15 A Schedule of Revenues, Expenditures and Changes in Fund Balance is provided on the last
16 page of this report.
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1 **TBD Project Expenses and Schedules**

2 Projects identified in TBD Ordinance #2 for potential TBD funding include:

3 1) City of Lynnwood Street Fund 111

4 Expenses: Varies year to year

5 2014 TBD Funding Contribution: \$80,000

6 Schedule: Ongoing

8 2) Pavement Overlay Program

9 Expenses: Varies year to year

10 2014 TBD Funding Contribution: \$920,000

11 Schedule: Various projects from year to year

13 3) Traffic Signal Rebuild Program

14 Expenses: Varies year to year

15 2014 TBD Funding Contribution: No TBD Funds were expended on this project in 2014

16 Schedule: Ongoing

18 4) Traffic Signal Reconstruction: Scriber Lake Road at 196th Street SW

19 Expenses: \$733,285

20 2014 TBD Funding Contribution: No TBD Funds were expended on this project.

21 Schedule: Project was completed in 2014

23 5) 48th Avenue W Sidewalk: 183rd Place SW to 180th Street SW

24 Expenses: \$1,453,275

25 2014 TBD Funding Contribution: None in 2014 (\$85,000 expended in 2013)

26 Schedule: Project was completed in 2014

Schedule of Revenues, Expenditures, and
Changes in Fund Balances
City of Lynnwood, Washington
TRANSPORTATION BENEFIT DIST
For the Year Ended December 31, 2014

	Actual
REVENUES	
Annual Vehicle Registration Fees	\$ 522,288
Interest	932
TOTAL REVENUES	\$ 523,220
EXPENDITURES	
Administration Expenditures	\$ 15,911
Legal	25,478
Insurance	3,031
Professional Services	60,098
Projects - Streets & Overlays	1,000,000
TOTAL EXPENDITURES	\$ 1,104,518
 EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	 \$ (581,298)
 OTHER FINANCING SOURCES (USES)	 _____
Total other financing source (uses)	-
 Net change in fund balances	 (581,298)
Fund balances - beginning	689,454
Fund balances - ending	\$ 108,156

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